



Legislative Fiscal Bureau

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March 3, 2022

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 520: Type 1 Juvenile Facility in Milwaukee County

Senate Bill 520 was introduced on August 26, 2021, and referred to the Senate Committee on Judiciary and Public Safety. On February 16, 2022, that Committee recommend the bill for passage on a vote of 7 to 0. On February 22, 2022, the Senate passed SB 520 on a vote of 33 to 0 and immediately messaged it to the Assembly. On February 24, 2022, the Assembly considered the bill and adopted Assembly Amendment 1 and concurred in the bill as amended on a vote of 90 to 0. The bill was ordered immediately messaged and was received by the Senate concurred in as amended.

A companion bill, Assembly Bill 524, was introduced on September 2, 2021, and referred to the Assembly Committee on Correction. On February 17, 2022, that Committee recommended the bill for passage on a vote of 9 to 1.

BACKGROUND

Under current law, in 2017 Act 185, section 110 (7), the Department of Corrections (DOC) is required to establish or construct one or more Type 1 juvenile correctional facilities, subject to the approval of the Joint Committee on Finance (JFC). Under Act 185, \$25.0 million was enumerated for the facility and \$25 million of general fund supported borrowing (GFSB) was authorized, although the related bonding was reallocated to other DOC projects in 2019 Act 9.

As part of the Governor's recommendations for the 2021-23 building program, the Governor recommended enumerating \$45,791,000 for a Type 1 facility in Milwaukee County, and authorizing GFSB to fund the project. In its deliberations on the 2021-23 budget, the Legislature in 2021 Act 58 instead enumerated \$4,000,000 for project planning, development, design, site selection, and land and property acquisition associated with the Type 1 facility under 2017 Act 185, and authorized \$4,000,000 of GFSB for this purpose.

BILL SUMMARY

Senate Bill 520 would authorize \$41,791,000 in general fund supported borrowing for the purpose of constructing a new Type 1 juvenile correctional facility in Milwaukee County. It would increase the project enumeration under Act 185 by the same amount.

Assembly Amendment 1 would require the Department of Administration (DOA) to report to JFC when DOA has reviewed and approved plans for constructing a new Type 1 juvenile correctional facility in Milwaukee County as soon as practicable. Further, AA 1 would not allow DOA to approve plans for constructing a new Type 1 juvenile correctional facility in Milwaukee County unless the site selected for the facility has the support of the governing body of the municipality in which the site is located. Finally, AA 1 would require DOC to repurpose the Lincoln Hills and Copper Lake Schools as an adult correctional institution.

FISCAL EFFECT

SB 520, as amended, would authorize \$41,791,000 in GFSB for the purpose of constructing a new Type 1 juvenile correctional facility in Milwaukee County. Although annual GPR debt service costs would depend on interest rates and the structure of the bonds at the time of issuance, it is estimated that they could range from \$2.6 to \$2.9 million annually over the 20-year life of the bonds, assuming level payments. Since these bonds would not be issued until project construction has begun, it is not anticipated that debt service costs would be incurred in the 2021-23 biennium.

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